



Department of Veterans Affairs Office of Inspector General

Combined Assessment Program Review of the VA Regional Office Philadelphia, Pennsylvania

Office of Inspector General

Combined Assessment Program Reviews

Combined Assessment Program (CAP) reviews are part of the Office of Inspector General's (OIG's) efforts to ensure that high quality health care and benefits services are provided to our Nation's veterans. CAP reviews combine the knowledge and skills of the OIG's Offices of Healthcare Inspections, Audit, and Investigations to provide collaborative assessments of VA medical facilities and regional offices on a cyclical basis. The purposes of CAP reviews are to:

- Evaluate how well VA facilities are accomplishing their missions of providing veterans convenient access to high quality medical and benefits services.
- Determine if management controls ensure compliance with regulations and VA policies, assist management in achieving program goals, and minimize vulnerability to fraud, waste, and abuse.
- Provide fraud and integrity awareness training to increase employee understanding of the potential for program fraud and the requirement to refer suspected criminal activity to the OIG.

In addition to this typical coverage, CAP reviews may examine issues or allegations referred by VA employees, patients, Members of Congress, or others.

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Executive Summary

Introduction

During the week of July 25–29, 2005, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the VA Regional Office (VARO) Philadelphia, PA. The regional office is part of the Veterans Benefits Administration (VBA) Eastern Area. The purpose of the review was to evaluate selected regional office operations, focusing on benefits claims processing and financial and administrative controls. During the review, we also provided fraud and integrity awareness training for 30 regional office employees.

Results of Review

This CAP review focused on nine areas. The regional office complied with selected standards in the following five areas:

- Automated Information Systems Security
- Fiduciary and Field Examinations
- Locked Files
- Retroactive Payments
- Vocational Rehabilitation and Employment

We identified four areas that needed additional management attention. To improve operations, the following recommendations were made:

- Improve the processing of compensation and pension (C&P) payment adjustments for hospitalized veterans.
- Improve the development of claims for post-traumatic stress disorder (PTSD).
- Reduce benefit payments for incarcerated veterans timely.
- Improve controls for Benefits Delivery Network (BDN) security.

The report was prepared under the direction of Mr. Freddie Howell, Jr., Director, and Mr. Mark Collins, Audit Manager, Chicago Audit Operations Division.

Eastern Area Director and Regional Office Director Comments

The Eastern Area Director and the Regional Office Director agreed with the findings and recommendations and provided acceptable improvement plans. (See Appendixes A and B, pages 10–20, for the full text of the Directors’ comments.) VBA C&P Service also reviewed the two PTSD cases we identified as containing development deficiencies and agreed with our conclusions. We will follow up on the implementation of recommended improvement actions until they are completed.

(original signed by:)

JON A. WOODITCH
Deputy Inspector General

Introduction

Regional Office Profile

Organization. The regional office provides C&P, vocational rehabilitation and employment (VR&E), and burial benefits to eligible veterans, dependents, and survivors residing in 40 eastern counties of Pennsylvania. The regional office also manages the VA Insurance Center and remotely manages C&P and VR&E operations in Wilmington, DE. Veterans service representatives (VSRs) are assigned to VA medical centers (VAMCs) in Philadelphia, Wilkes-Barre, Coatesville, and Lebanon, PA. Benefit claims are processed through out-based offices located in Harrisburg, Wilkes-Barre, and Allentown, PA; and Wilmington, DE.

In October 2001, the regional office was chosen to be one of three locations for a Pension Maintenance Center (PMC), which is responsible for processing and adjusting pension cases.

VA's Loan Guaranty program for veterans residing in Pennsylvania is administered by the Regional Loan Center located in Cleveland, OH. Education benefits are provided by the Regional Education Processing Center located in Buffalo, NY.

Resources. The regional office had a fiscal year (FY) 2005 operating budget of about \$55.5 million and a staffing level of 805 full-time equivalent employees.

Workload. The regional office serves a veteran population of about 746,000 in eastern Pennsylvania. In FY 2004, the regional office authorized and paid about \$675 million in C&P benefits to 203,260 beneficiaries. During FY 2004, the regional office had about 4,500 participants in the VR&E program and provided fiduciary oversight for 2,018 incompetent veterans and other beneficiaries.

Objectives and Scope of the CAP Review

Objectives. CAP reviews are one element of the OIG's efforts to ensure that our Nation's veterans receive high quality VA health care and benefits services. The objectives of the CAP review are to:

- Conduct recurring evaluations of selected health care facility and regional office operations focusing on patient care, quality management, benefits, and financial and administrative controls.
- Provide fraud and integrity awareness training to increase employee understanding of the potential for program fraud and the requirement to refer suspected criminal activity to the OIG.

Scope. We reviewed selected benefits claims processing and financial and administrative activities to evaluate the effectiveness of benefits delivery and management controls. Benefits delivery is the process of ensuring that veterans' claims and requests for benefits or services are processed promptly and accurately. Management controls are the policies, procedures, and information systems used to safeguard assets, prevent errors and fraud, and ensure that organizational goals are met.

In performing the review, we inspected work areas; interviewed managers and employees; and reviewed benefits, financial, and administrative records. The review covered regional office operations for FYs 2003, 2004, and 2005 through July 25, 2005, and was performed in accordance with OIG standard operating procedures for CAP reviews. The review covered the following nine areas:

Automated Information Systems	Locked Files
Security	Post-Traumatic Stress Disorder Claim
Benefits Delivery Network Security	Development
Fiduciary and Field Examinations	Retroactive Payments
Hospital Adjustments	Vocational Rehabilitation and
Incarcerated Veterans	Employment

Activities needing improvement are discussed in the Opportunities for Improvement section (pages 3–9). For these activities, we make recommendations for improvement. Recommendations pertain to issues that are significant enough to be monitored by the OIG until corrective actions are taken.

Results of Review

Opportunities for Improvement

Hospital Adjustments – Processing Benefit Adjustments for Hospitalized Veterans Needed To Be Improved

Condition Needing Improvement. Veterans Service Center (VSC) and PMC staff did not properly adjust C&P payments for veterans hospitalized for extended periods at Government expense as required by Federal law. Payments to veterans receiving aid and attendance allowances in addition to their regular disability C&P benefits must be reduced to the lower housebound rate if they are hospitalized at Government expense for periods exceeding a calendar month.

Not properly adjusting payments to veterans who were hospitalized at Government expense for extended periods resulted in both overpayments and underpayments. At our request, VAMCs located in Coatesville, Lebanon, Philadelphia, and Wilkes-Barre, PA; Bath, NY; and Wilmington, DE provided us with data identifying 714 veterans who had been hospitalized for 90 days or more at Government expense as of June 1, 2005. The VA Austin Automation Center also provided a list identifying an additional 263 veterans who had been hospitalized for 90 days or more and had been discharged between October 1, 2002, and June 1, 2005.

We compared these lists to BDN master records and found that 226 (23 percent) of the 977 veterans' claims folders needed to be reviewed for possible benefit adjustments. A total of 154 (68 percent) of the 226 veterans were hospitalized or were in nursing homes at VA expense for more than 90 days and should have had their C&P awards adjusted by a total of \$1,823,058. Of the 154 veterans, 151 were overpaid by a total of \$1,630,744 and 3 were underpaid by a total of \$192,314. VARO Philadelphia was responsible for 85 veterans with total overpayments of \$1,075,369 and 2 veterans with underpayments of \$175,588. The PMC was responsible for 18 veterans with total overpayments of \$96,312. Other VAROs were responsible for 48 veterans with total overpayments of \$459,063 and 1 veteran with an underpayment of \$16,726.

VSC and PMC staff did not consistently identify hospitalized veterans whose C&P awards required adjusting. Each month VSC staff are required to review admission reports from VA's Automated Medical Information Exchange (AMIE) system to identify veterans admitted to VA medical facilities or contract nursing homes. After reviewing the AMIE reports and the veterans' claims folders, VSC and PMC staff should promptly adjust veterans' C&P benefits where appropriate. VSC staff did not make required hospital adjustments totaling \$705,130 for 36 veterans receiving compensation benefits.

- Twenty three cases should have had adjustments totaling \$305,551. The claims folders contained AMIE reports or other evidence of hospitalization, but VSC staff did not use the information to make necessary adjustments. According to the Senior VSR, VSC staff took no action on these cases because they overlooked the notices of hospitalization or erroneously concluded that no actions were necessary.
- Six cases that required adjustments totaling \$259,477 did not include AMIE reports or other evidence of hospitalization in the claims folders and were not adjusted. The Senior VSR attributed this to contract nursing homes not having the capability to update the AMIE system when veterans were under their care and the possibility that the VAMCs were not always updating the AMIE system when veterans were hospitalized for more than 90 days.
- Seven compensation cases that required adjustments totaling \$140,102 were not adjusted for other reasons. Five of seven adjustments totaling \$102,581 were identified as erroneous awards based on administrative errors by VBA and would not be collected from the veterans. However, future awards would be adjusted to the correct rate. The remaining two cases totaling \$37,521 were not adjusted because the AMIE reports did not show when discharged veterans were transferred to nursing homes.

There were also 20 cases needing compensation adjustments totaling \$301,615 that were outside VARO Philadelphia's jurisdiction. The VARO did not have national access to the Compensation and Pension Records Interchange (CAPRI)¹ system, which prevented staff from accessing data for veterans whose folders were located at other regional offices. VARO Pittsburgh had jurisdiction for 13 cases with overpayments totaling \$164,485 and VARO Newark had jurisdiction for 4 cases with overpayments totaling \$94,812. VAROs Buffalo, Roanoke, and Nashville had jurisdiction for one case each with overpayments of \$10,258, \$15,334, and \$16,726, respectively. These cases should be referred to the appropriate regional offices to adjust the benefits.

The VARO did not make required hospital adjustments totaling \$546,701 for 51 veterans receiving pension benefits:

- Twenty-four cases should have had adjustments totaling \$275,913. The claims folders contained AMIE reports or other evidence of hospitalization that PMC staff did not use to make necessary adjustments. According to the Senior VSR, no action was taken on these cases because notices of hospitalization were overlooked.
- Twenty cases that required adjustments totaling \$165,140 did not include AMIE reports or other evidence of hospitalization and were not adjusted. As with the six compensation cases discussed above, the Senior VSR and the Assistant Veterans Service Manager stated the reasons for not having AMIE reports in the folders

¹ CAPRI is an interface program for AMIE that provides online access to medical data and reduces the administrative burden of sharing demographic data between VBA and the Veterans Health Administration.

included contract nursing homes not being able to update AMIE and the possibility that the VAMCs were not always updating the AMIE system when veterans were hospitalized for more than 90 days.

- Seven pension cases that required adjustments totaling \$105,648 were not adjusted for other reasons. Two of six adjustments totaling \$74,171 were identified as erroneous awards based on administrative errors by VBA, and letters were sent to veterans stating the overpayments would not be collected; however, future awards would be adjusted to the correct rates. For two cases totaling \$14,567, the awards were not adjusted because the AMIE reports did not show when the discharged veterans were transferred to nursing homes. In one case, the award for \$287 was retroactively paid after the veteran was hospitalized. In another case, the adjustment for \$729 was not made timely. In the final case, a letter dated June 8, 2001, was sent to the veteran advising him of the overpayment in the amount of \$15,894; however, the adjustment was not made.

There were also 29 pension adjustments needed totaling \$173,300 that were outside VARO Philadelphia's jurisdiction. The regional office did not have national CAPRI access, which prevented staff from accessing data for veterans whose folders were located at other regional offices. VARO Pittsburgh had jurisdiction for 26 cases with overpayments totaling \$131,085. VAROs Nashville, Newark, and Milwaukee had jurisdiction for one case each with overpayments of \$4,904, \$37,053, and \$258, respectively. These cases should be referred to the appropriate regional offices to adjust the benefits.

The PMC did not make required hospital adjustments totaling \$96,312 for 18 veterans receiving pension benefits:

- In eight cases that required adjustments totaling \$42,124, claims folders contained AMIE reports or other evidence of hospitalization that PMC staff did not use to make necessary adjustments. According to the Senior VSR, no actions were taken on these cases because notices of hospitalization were overlooked.
- Ten cases that required adjustments totaling \$54,188 did not include AMIE reports or other evidence of hospitalization and were not adjusted. The Senior VSR and the Veterans Service Manager stated that one of the reasons the claims folders had no AMIE reports was that contract nursing homes lacked the ability to update the AMIE system. They also cited the possibility that the VAMCs were not always updating the AMIE system when veterans were hospitalized for more than 90 days.

Recommended Improvement Action 1. We recommended that the Eastern Area Director ensure that the Regional Office Director requires VSC and PMC staff to: (a) adjust C&P benefits for the 105 veterans under the regional office's jurisdiction and initiate collection actions where necessary; (b) review AMIE reports and other evidence, such as hospital admission reports, to identify hospitalized veterans whose C&P awards

require adjustments; and (c) forward C&P cases for 49 veterans to the appropriate regional offices of jurisdiction.

The Eastern Area and Regional Office Directors agreed with the findings and recommendations and reported that due process and collection actions have been taken for the C&P cases requiring adjustments. The VARO will monitor and correct hospital adjustment deficiencies as part of its Systematic Analyses of Operations. The VARO has routed the claims folders of 49 veterans to the regional offices of jurisdiction for corrective actions. The implementation plans are acceptable and we will follow up on planned actions until they are completed.

Post-Traumatic Stress Disorder Claim Development – Adequate Medical Evidence Needed To Be Obtained and Stressors Confirmed

Condition Needing Improvement. VSC management needed to strengthen PTSD claim development practices by ensuring that adequate medical evidence is obtained and by improving the process of confirming stressor events. To be diagnosed with PTSD, a veteran must have experienced the stress of being exposed to a traumatic event of an extreme nature. While PTSD stressors for veterans are usually combat related, they can also be noncombat related (for example, duty on a burn ward or in a graves registration unit). Veterans are entitled to service connected benefits for PTSD when: (1) there is medical evidence establishing a diagnosis of PTSD, (2) the medical evidence links current PTSD symptoms with an in-service stressor, and (3) there is credible supporting evidence that the claimed stressor occurred.

VBA's Rating Board Automation 2000 database reported that during the month of June 2005, the regional office made 133 original PTSD rating decisions. Of the 133 decisions, 72 were granted and 61 were denied claims for PTSD. To determine if VSC staff had properly developed PTSD claims, we reviewed claims folders for a sample of 40 claims (30 that had been granted and 10 that had been denied). All 10 of the denied claims had been properly developed. Two of the 30 granted claims had development deficiencies.

Medical Evidence Did Not Link Symptoms to Stressors. VBA policy requires a link between current PTSD symptoms and an in-service stressor before granting a PTSD claim. VSC staff should ensure that medical evidence includes this link. For one claim, the medical evidence did not link the veteran's claimed stressor to the PTSD symptoms:

In November 2004, the veteran claimed stressors of being a machine gunner, experiencing rocket and ground attacks during combat, and being stabbed four times in a noncombat situation. During the period August 2003–May 2005, medical examiners described the veteran's symptoms as tension, irritability, anger, worries, insomnia, and nightmares.

Because none of the examiners' reports included descriptions of the veteran's claimed stressors, the medical evidence did not include links between the symptoms and the claimed stressors. VSC staff should have requested a C&P examination to obtain links between the symptoms and stressors.

Combat Stressors Not Confirmed. Claimed PTSD stressors must be confirmed with credible supporting evidence. Sources of credible supporting evidence for combat stressors include a veteran's service medical, personnel, and unit records. If the veteran received certain combat awards, such as the Purple Heart or the Combat Action Badge, the veteran's claimed combat stressors should be conceded. For one claim, VSC staff did not adequately confirm the claimed combat stressors:

The Army veteran served in Iraq as a military construction equipment operator. The veteran claimed that he saw a dead enemy soldier and exchanged weapons fire with the enemy. VSC staff did not attempt to confirm any of the veteran's claimed stressors. Instead, they conceded the veteran's stressors based on his receipt of the Global War on Terrorism Service Medal and the Global War on Terrorism Expeditionary Medal without evidence that these were awarded for being engaged in combat. As of August 2005, VBA had recognized these medals as combat awards only if the evidence showed that they were awarded for engaging in combat. When we discussed this claim with VSC managers, they agreed that the claimed stressors had not been confirmed.

Recommended Improvement Action 2. We recommended that the Eastern Area Director ensure that the Regional Office Director requires VSC management to strengthen PTSD claim development practices by (a) obtaining medical evidence that links PTSD symptoms to an in-service stressor and (b) confirming combat stressors.

The Eastern Area and Regional Office Directors agreed with the findings and recommendations and reported that they will verify evidence claimed by the veteran in his list of stressors. They will also confirm that the other veteran was engaged in combat. VBA C&P Service also reviewed the two PTSD cases we identified as containing development deficiencies and agreed with our conclusions. The implementation plans are acceptable, and we will follow up on planned actions until they are completed

Incarcerated Veterans – Benefit Payments for Incarcerated Veterans Needed To Be Adjusted Timely

Condition Needing Improvement. VARO staff needed to improve the timeliness of benefit payment reviews and adjustments for incarcerated veterans. Federal law requires that VA reduce compensation payments to incarcerated veterans or beneficiaries on the

61st day following a felony conviction and discontinue pension payments on the 61st day following either a felony or misdemeanor conviction.

According to computer matches received by the regional office from the Social Security Administration and Bureau of Prisons, from December 2004 through May 2005 there were 404 incarcerated veterans or beneficiaries receiving C&P benefits. From a sample of 25 incarcerated veterans receiving C&P benefits, we determined 11 pension cases were not processed timely. PMC staff had not sent letters to the correctional facilities to confirm the veterans' status or due process letters to the veterans until the period of July 21–25, 2005. Because VARO staff did not timely process the incarcerated veteran cases, 4 of the 11 veterans had overpayments of \$6,147 that could have been avoided if PMC staff had promptly sent due process letters to the veterans after receiving the Social Security Administration and Bureau of Prisons matches.

There was also an overpayment of \$577 for one veteran who was erroneously determined to have had his pension benefits terminated. The Assistant PMC Manager stated that a large number of pension cases with higher priority adversely affected the timely processing of incarcerated veteran cases.

Recommended Improvement Action 3. We recommended that the Eastern Area Director ensure that the Regional Office Director requires PMC staff to timely process incarcerated veteran benefit adjustments.

The Eastern Area and Regional Office Directors agreed with the finding and recommendation and reported that they will monitor this area to ensure prompt processing. The implementation plans are acceptable, and we will follow up on planned actions until they are completed.

Benefits Delivery Network Security – Controls Needed To Be Improved

Condition Needing Improvement. BDN system security controls are intended to protect the privacy of personal data and to prevent fraudulent use of the system. The regional office Information Security Officer (ISO) and the BDN Security Administrator had established appropriate controls over the assignment of BDN passwords, and employees' position sensitivity levels complied with VBA policy. However, the ISO and BDN Security Administrator needed to ensure that BDN commands requested for employees were necessary and that employees' claims folders were electronically locked.

Employee BDN Access Commands Were Not Appropriate. VBA policy requires that employees be granted only those terminal access commands that are necessary for their job assignments. As employees' duties change, the allowed commands and the need for new BDN access commands are to be re-evaluated. The terminal access commands requested for 13 of 20 employees reviewed were consistent with the commands

authorized in BDN and were based on their job responsibilities. However, the seven remaining employees were authorized more commands than their supervisors had requested on access request forms. Giving employees more commands than they need for their job assignments weakens BDN security and increases the system's vulnerability to fraud.

Veteran Employees' Claims Folders Were Not Electronically Locked. VBA policy requires that veteran employees' claims folders be electronically locked to prevent unauthorized access to and modification of awards. To electronically lock an employee's claims folder, the claim number must be entered into the Sensitive File List using the Common Security Update Manager. The claims folders of two veteran employees with running awards were not electronically locked as required.

Recommended Improvement Action 4. We recommended that the Eastern Area Director ensure that the Regional Office Director requires the ISO and BDN Security Administrator to: (a) authorize only the BDN commands that have been requested and are needed for the employees' job assignments, and (b) electronically lock the claims folders of veteran employees.

The Eastern Area and Regional Office Directors agreed with the findings and recommendations and reported that the seven employees BDN access forms have been adjusted to reflect only the commands originally requested, and the two veteran employees' claims folders have been electronically locked. The implementation plans are acceptable, and we will follow up on planned actions until they are completed.

Eastern Area Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: October 13, 2005
From: Eastern Area Director (20F1)
Subject: Response to Draft CAP Review of the VARO Philadelphia
To: Director, Chicago Audit Operations Division (52)

1. Enclosed, please find our response to the draft report developed by the OIG for the recent CAP review at the Philadelphia Regional Office and Insurance Center. Our comments follow those provided by the Regional Office. The Regional Office has also provided an attachment regarding the hospital adjustments in support of their response.
2. Thank you for this opportunity to respond to your draft report. Questions may be directed to Sue Malley, Lead Management Analyst of my staff, by email or phone at 734-930-5803.

(original signed by:)

James A. Whitson

Enclosure:

VSC Procedures for Handling Hospital Adjustments

Attachment to Eastern Area Director Memorandum

Service Center Procedures For Handling Hospital Adjustments

1. The Files Supervisor in the Triage Team will utilize the attached chart to run the hospital reports for the following VA Medical Centers: Philadelphia, Coatesville, Wilkes-Barre and Lebanon. It is important that the proper periods noted are run each month so actionable reports (those requiring immediate due process action) are provided to the Service Center (SC) and Pension Maintenance Center (PMC) Staff. This report is run on or about the first calendar day of every month.
2. The Files Supervisor runs each of these reports through SHARE to obtain a master record report (M-11 Screen). This allows her to identify cases where the individual is in receipt of compensation or pension. The pension cases are delivered to the coach of the Triage Team in the Pension Maintenance Center (PMC), and the compensation cases are sent to the Assistant Service Center Manager for initial screening (this duty will be switched over to the Post-Determination Team Coach once division management is confident that cases requiring due process are identified and proper adjustments are being made).
3. If the veteran is not in receipt of compensation at the 100 percent rate, the reports are annotated and sent to drop mail. For those veterans who are getting paid at the 100 percent rate, the M-13 screen is accessed to obtain the basic and hospital special monthly compensation (SMC) codes. Any discrepancies are clarified with a Decision Review Officer (DRO) or Rating Veterans Service Representative (RVSR) on station. If the codes are the same and the case does not require any adjustment, the reports are annotated and sent to drop mail. If the codes are different, necessitating an adjustment to the hospitalized rate, a Veterans Service Representative (VSR) on the Post-Determination Team will send due process to the veteran at his home address, as well as the VA Medical Center in which the beneficiary is

hospitalized. A 600 end product will be established to control for the expiration of the 60-day due process period.

4. Once the due process period has expired, the VSR will take final action to reduce the veteran's benefits, and notify the beneficiary of the decision and any overpayment, if applicable.

Hospital Adjustment Monthly Reports-(Calendar Year 2005)

Report	Month	Frequency	System	Period Covered
Contract NH	August	1 st day of month	AMIE	4/1/05 through 4/30/05
Contract NH	September	1 st day of month	AMIE	5/1/05 through 5/31/05
Contract NH	October	1 st day of month	AMIE	6/1/05 through 6/30/05
Contract NH	November	1 st day of month	AMIE	7/1/05 through 7/31/05
Contract NH	December	1 st day of month	AMIE	8/1/05 through 8/31/05
Pension Adm. (Old Law)	August	1 st day of month	AMIE	1/1/05 through 1/31/05
Pension Adm. (Old Law)	September	1 st day of month	AMIE	2/1/05 through 2/28/05
Pension Adm. (Old Law)	October	1 st day of month	AMIE	3/1/05 through 3/31/05
Pension Adm. (Old Law)	November	1 st day of month	AMIE	4/1/05 through 4/30/05
Pension Adm. (Old Law)	December	1 st day of month	AMIE	5/1/05 through 5/31/05
Pension Adm. (Sect. 306)	August	1 st day of month	AMIE	5/1/05 through 5/31/05
Pension Adm. (Sect. 306)	September	1 st day of month	AMIE	6/1/05 through 6/30/05
Pension Adm. (Sect. 306)	October	1 st day of month	AMIE	7/1/05 through 7/31/05
Pension Adm. (Sect. 306)	November	1 st day of month	AMIE	8/1/05 through 8/31/05
Pension Adm. (Sect. 306)	December	1 st day of month	AMIE	9/1/05 through 9/30/05
A&A Adm.	August	1 st day of	AMIE	6/1/05 through

		month		6/30/05
A&A Adm.	September	1 st day of month	AMIE	7/1/05 through 7/31/05
A&A Adm.	October	1 st day of month	AMIE	8/1/05 through 8/31/05
A&A Adm.	November	1 st day of month	AMIE	9/1/05 through 9/30/05
A&A Adm.	December	1 st day of mo.	AMIE	10/1/05 through 10/31/05
<u>Report</u>	<u>Month</u>	<u>Frequency</u>	<u>System</u>	<u>Period Covered</u>
Discharge Report	August	1 st day of mo.	CAPRI	4/1/05 through 4/30/05
Discharge Report	September	1 st day of mo.	CAPRI	5/1/05 through 5/31/05
Discharge Report	October	1 st day of mo.	CAPRI	6/1/05 through 6/30/05
Discharge Report	November	1 st day of mo.	CAPRI	7/1/05 through 7/31/05
Discharge Report	December	1 st day of mo.	CAPRI	8/1/05 through 8/31/05
Readmission	August	1 st day of mo.	CAPRI	7/1/05 through 7/31/05
Readmission	September	1 st day of mo.	CAPRI	8/1/05 through 8/31/05
Readmission	October	1 st day of mo.	CAPRI	9/1/05 through 9/30/05
Readmission	November	1 st day of mo.	CAPRI	10/1/05 through 10/31/05
Readmission	December	1 st day of mo.	CAPRI	11/1/05 through 11/30/05

Regional Office Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: October 31, 2005
From: Regional Office Director (310)
Subject: CAP Review of the VA Regional Office Philadelphia,
Pennsylvania
To: Director, Eastern Area (20F1)

1. Enclosed is the Philadelphia Regional Office response to the Combined Assessment Program (CAP) Review Draft Report. Also attached is our response concerning Recommendation #1 regarding Hospital Adjustments. I concur with the recommendation for this area of the review.
2. Should you have any questions regarding our reply, please feel free to contact me at (215) 381-3001.

(original signed by:)

THOMAS M. LASTOWKA

**Regional Office Director Comments
to Office of Inspector General's Report**

The following Director's comments are submitted in response to the recommendation and suggestions in the Office of Inspector General Report:

OIG Recommendations

Recommended Improvement Action 1. We recommend that the Area Director ensure that the Regional Office Director requires VSC and PMC staff to:

(a) adjust C&P benefits for the 105 veterans under the regional office's jurisdiction and initiate collection actions where necessary;

Concur **Target Completion Date:** November 2005

Due process has been sent on the 34 compensation cases requiring hospital reduction. Benefits have been adjusted in the 2 cases involving underpayments, and the beneficiaries have received retroactive payments. Collection actions will be taken where necessary. Due process expires on the majority of these cases at the end of September 2005. We anticipate a completion date of EOM November 2005 for this action item.

The Philadelphia PMC issued due process on 41 pension cases requiring reductions in accordance with 38 CFR 3.551 and 3.552 (hospital adjustments). Further actions were taken on one (1) pension case to grant administrative SMP in accordance with 38 CFR 3.351 and the beneficiary received a retroactive payment. Three (3) cases were processed “date last paid” due to an administrative error as information regarding hospital status was available upon the initial grant of pension or SMP; and no actions were taken on the remaining 24 cases as the beneficiary deceased prior to implementation or completion of the regulated 60 day due process period.

Collection actions have already begun on several claims that have completed the adjudication process and additional actions will be taken as necessary. Due process will expire on 6 cases by the end of December. We anticipate all actions to be completed by EOM December 2005 for this action item.

(b) review AMIE reports and other evidence, such as hospital admission reports, to identify hospitalized veterans whose C&P awards require adjustment;

Concur **Target Completion Date:** Completed

The station’s implementation plan with specific corrective actions is included as an attachment. As processing deficiencies were identified on a Systematic Analyses of Operations (SAO) prior to the visit, we consider this action item completed. We have been monitoring the station plan for the last two months, and had initiated due process on the majority of the cases cited as deficient during the audit prior to the OIG’s visit during the week of July 25-29, 2005.

(c) forward C&P cases for 49 veterans to the appropriate regional offices of jurisdiction.

Concur **Target Completion Date:** Completed

The OIG worksheets and the claims folders have been routed to the Regional Offices of jurisdiction with instructions to take necessary corrective action on cases requiring reduction. We consider this recommendation completed.

Area Office Response:

The Area Director concurs with the response provided by the Regional Office.

Recommended Improvement Action 2. We recommend that the Area Director ensure that the Regional Office Director requires VSC management to strengthen PTSD claim development practices by:

- (a) obtaining medical evidence that links PTSD symptoms to an in-service stressor and

Concur **Target Completion Date:** April 2006

The grant of service connection for PTSD was made without sufficient evidence. Evidence cited in the Rating Decision appears to be irrelevant to the veteran's claimed stressors. There is no C&P psychiatric examination for PTSD of record.

The Military Records Specialist will review the Marine Corps Historical Center (CD) to verify the evidence claimed by the veteran in his list of stressors. If verification can not be made based on the evidence received, a request for verification of the stressor will be made to JSRRC (CURR). In addition, the veteran will be asked to report for a C&P examination.

- (b) confirming combat stressors.

Concur **Target Completion Date:** April 2006

The grant of service connection for PTSD was made without sufficient evidence. The decision was based on the veteran being awarded the Global War on Terrorism Service Medal and Global War on Terrorism Expeditionary Medal without verification that the veteran had engaged the enemy in combat.

Development for the award citation associated with the medal will be requested from the Guard Unit and the veteran. In addition, a request will be made in the PIES application for the veterans service personnel records. If verification can not be made based on the evidence received, a request for verification of the stressor will be made to JSRRC (CURR).

Additionally, Rating Specialists have been reminded that the Global War on Terrorism Medical is not a combat medal without confirmation that it was received as a result of combat participation and diagnoses must be linked to veteran's verified stressors.

Area Office Response:

The Area Director concurs with the findings and recommended improvement action.

Recommended Improvement Action 3. We recommend that the Area Director ensure that the Regional Office Director requires PMC staff to timely process incarcerated veteran benefit adjustments.

Concur **Target Completion Date:** Completed

The PMC concurs with this recommendation. We will continue to monitor this area to ensure prompt processing.

Area Office Response:

The Area Director concurs with the findings and recommended improvement action.

Recommended Improvement Action 4. We recommend that the Area Director ensure that the Regional Office Director requires the ISO and BDN Security Administrator to: (a) authorize only the BDN commands that have been requested and are needed for the employees' job assignments;

Concur **Target Completion Date:** Completed

The BDN access commands that weren't requested on 7 of 20 employee's access forms have been adjusted so that they reflect only those commands originally requested.

(b) electronically lock the claims folders of veteran employees.

Concur **Target Completion Date:** Completed

The 2 employee C-files identified have been electronically locked.

Area Office Response:

The Area Director concurs with the findings and recommended improvement action.

Monetary Benefits in Accordance with IG Act Amendments

<u>Recommendation</u>	<u>Explanation of Benefit(s)</u>	<u>Better Use of Funds</u>
1	Adjust benefit payments to veterans hospitalized at Government expense for extended periods.	\$1,926,853
3	Recoup payments made to incarcerated veterans where adjustments were not timely processed.	6,724
	Total	\$1,933,577

OIG Contact and Staff Acknowledgments

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Acknowledgments	Larry Chinn Mark Collins Patricia Conliss Ken Dennis Mary Ann Fitzgerald Angie Fodor Dana Martin Cherie Palmer Tom Phillips Gerard Poto Jennifer Roberts David Spilker Kent Wrathall
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